

ZIMBABWE OPPORTUNITIES INDUSTRIASATION CENTRES

FINANCIAL STATEMENTS

31 DECEMBER 2001

ZIMBABWE OPPORTUNITIES INDUSTRIASATION CENTRES

BUSINESS:

To eradicate poverty through employment creation and training of entrepreneurs.

DIRECTORS:

J. Chitekuteku (Chairman)
D. Nyamukapa
A. Chikasha
A. Murove
S. Sibanda

SECRETARY :

P. Bohwasi

AUDITORS:

Camelsa Chartered Accountants (Zimbabwe)

REGISTERED OFFICE:

P O Box A 1626
Avondale
Harare

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These financial statements are expressed in Zimbabwe dollars

ZIMBABWE OPPORTUNITIES INDUSTRIALISATION CENTRES

DIRECTORS' RESPONSIBILITY AND APPROVAL OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

To the members of Zimbabwe Opportunities Industrialisation Centres

It is the directors' responsibility to ensure that the financial statements fairly present the state of affairs of the Trust. The external auditors are responsible for independently reviewing and reporting on the financial statements.

The financial statements set out in this report have been prepared by management in accordance with generally accepted accounting practice. They are based on appropriate accounting policies, which are supported by reasonable and prudent judgements and estimates.

The Trust's internal controls and systems are designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of its assets. Such controls are based on established policies and procedures which are monitored through the Trust and all employees are required to maintain the highest ethical standards in ensuring that the Trust's business practices are conducted in a manner which in all reasonable circumstances is above reproach.

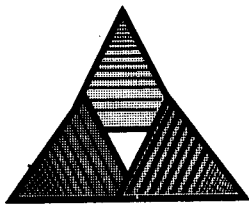
Issues that come to the attention of directors have been addressed and the directors are satisfied that the function of these controls, systems and procedures is satisfactory.

In light of the current financial position, the directors are satisfied that Zimbabwe Opportunities Industrialisation Centres is a going concern and have continued to adopt the going concern basis in preparing the financial statements. The Trust's external auditors, Camelsa Chartered Accountants (Zimbabwe) have audited the financial statements and their unqualified report appears below. This concurs with the directors' statements on internal financial controls and going concern above.

The Trust's annual financial statements which are set out on pages 3 to 7 were, in accordance with their responsibilities, approved by the directors on ..!June 2002 and are signed on its behalf by:


.....
Executive Director


.....
Chairperson



Camelsa

CHARTERED ACCOUNTANTS (ZIMBABWE)

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**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF
ZIMBABWE OPPORTUNITIES INDUSTRIALISATION CENTRES**

We have audited the financial statements of Zimbabwe Opportunities Industrialisation Centres as of 31 December 2001, set out on pages 3 to 7. These financial statements are the responsibility of the Trust's committee members. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing which require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Zimbabwe economy is recognised as being hyperinflationary for the purposes of financial reporting. These financial statements have not been prepared in conformity with International Accounting Standards in that requirement of IAS 29, (Financial Reporting in Hyperinflationary Economies) have not been complied with. The standard requires that financial statements that report in the currency of a hyperinflationary economy should be stated in term of the measuring unit at the balance sheet date. The requirements of all other International Accounting Standards have been complied with under the historical cost convention.

These financial statements have been prepared under the historic cost convention and would form the basis of restatement in terms of IAS 29. Subject to the foregoing, in our opinion, the financial statements in all material respects give a true and fair view of the financial position of the company at 31 December 2001, and the results of its operations and cash flows of the year then ended in accordance with International Accounting Standards.


CHARTERED ACCOUNTANTS (ZIMBABWE)

!!JUNE 2002

HARARE

ZIMBABWE OPPORTUNITIES INDUSTRIALISATION CENTRES

INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2001

	2001 \$	2000 \$
INCOME		
Grants	2 884 663	1 964 415
Training fees	784 220	24 500
Other income	581 717	19 348
Unrealised exchange gains	3 802 500	-
Surplus-project funds	<u>3 871 058</u>	<u>-</u>
Total income	<u>11 924 158</u>	<u>2 008 263</u>
EXPENSES		
Baseline	340 000	287 367
Workshop materials	68 700	85 535
Administration expenses		
Accounting fees	71 108	37 500
Advertising	6 454	65 000
Audit fees	25 875	-
Bank charges	28 616	49 744
Board meetings	25 205	13 750
Building repairs	-	1 027
Computer repairs and maintenance	67 110	45 660
Consulting fees	-	129 510
Courier & Postage	12 295	7 051
Depreciation	-	200 702
Email & Internet	16 350	12 600
Food and accommodation	-	66 706
Fuel	-	69 001
General expenses	49 233	159 611
Insurance	287 846	43 567
Journals	-	65 500
Leasing and hire	-	3 304
Legal fees	5 025	-
Motor vehicle expenses	380 238	192 081
Medical aid	80 040	-
Membership	-	2 000
Paye, NSSA and pension	381 900	-
Printing and stationery	255 820	132 635
Staff salaries	796 976	1 042 572
Office expenses	588 485	5 676
Teas and cleaning	-	6 328
Telephone and fax	262 347	66 151
Training consultancy and facilitation	524 170	375 520
Travel	<u>514 333</u>	<u>135 831</u>
Total expenditure	<u>4 788 126</u>	<u>3 301 929</u>
Surplus /(deficit) of income over expenditure	<u>7 136 032</u>	<u>(1 293 666)</u>
Balance at 1 January	<u>416 795</u>	<u>1 710 461</u>
Balance at 31 December	<u><u>7 552 827</u></u>	<u><u>416 795</u></u>

ZIMBABWE OPPORTUNITIES INDUSTRIALISATION CENTRES

BALANCE SHEET AT 31 DECEMBER 2001

	Notes	2001 \$	2000 \$
ASSETS			
Non-current assets			
Property and equipment	2	<u>1 599 169</u>	<u>551 727</u>
Current assets			
Cash and cash equivalents	3	7 181 979	589 804
Receivables and prepayments		160 440	39 000
Amounts falling due from operative activities-LCI		366 520	-
Investments		<u>31 298</u>	<u>-</u>
		<u>7 740 237</u>	<u>628 804</u>
Total assets		<u><u>9 339 406</u></u>	<u><u>1 180 531</u></u>
RESERVES AND LIABILITIES			
Reserves			
Capital reserve	4	1 599 169	744 989
Retained earnings		7 552 827	416 795
Accumulated funds		416 795	1 710 461
Surplus /(deficit) for the year		7 136 032	(1 293 666)
Total		<u>9 151 996</u>	<u>1 161 784</u>
Current liabilities			
Payables		<u>187 410</u>	<u>18 747</u>
Total reserves and liabilities		<u><u>9 339 406</u></u>	<u><u>1 180 531</u></u>

ZIMBABWE OPPORTUNITIES INDUSTRIALISATION CENTRES

CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2001

	Note	2001 \$	2000 \$
Cashflows from operating activities			
Surplus /(deficit) for the year		7,136,032	(1,293,666)
Adjustments for non cash items:			
Exchange gain realised /(unrealised)		(192,911)	192,911
Increase in capital reserve		1,398,889	-
Loss on disposal		-	200,702
Net cashflows before working capital changes		8,342,010	(900,053)
Net effect of working capital changes	5	(319,649)	(21,453)
Net cash generated /(utilised) in operations		8,022,361	(921,506)
Cashflows from investing activities			
Acquisition of property and equipment		(1,398,889)	(7,440)
Investments raised		(31,297)	-
Cash utilised in investing activities		(1,430,186)	(7,440)
Net cash inflow for the period		6,592,175	(928,946)
Bank and cash balances brought forward		589,804	1,518,750
Bank and cash balances carried forward		7,181,979	589,804
Shown as:			
Cash and cash equivalents		7,181,979	589,804

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

1 ACCOUNTING POLICIES

These financial statements are prepared under the historical cost convention

2 Property and equipment

Property and equipment are stated at cost less accumulated depreciation

Property and equipment are depreciated using the straight line method at rates that will reduce book values over the anticipated useful life of the asset as follows:

Office equipment	33%
Furniture and fittings	10%
Building equipment	20%
Brick moulding machinery	20%

Additions and disposals are depreciated on a pro-rata basis in the year of acquisition or disposal

Property and equipment

	Furniture & equipment \$	Office equipment \$	Moulding machine \$	Building equipment \$	Cellular Phones \$	Motor Vehicles \$	Total \$
Cost							
At 1 January 2001	49 883	296 044	100 260	99 100	6 440		551 727
Additions	173 000	315 089			10 800	900 000	1 398 889
Disposals					(6 440)		(6 440)
At 31 December 2001	<u>222 883</u>	<u>611 133</u>	<u>100 260</u>	<u>99 100</u>	<u>10 800</u>	<u>900 000</u>	<u>1 944 176</u>
Accumulated depreciation							
At 1 January 2001	6 418	145 319	25 065	24 775			201 577
Charge for the year	5 863	97 695	20 052	19 820			143 430
At 31 December 2001	<u>12 281</u>	<u>243 014</u>	<u>45 117</u>	<u>44 595</u>			<u>345 007</u>
Net book value							
At 31 December 2001	<u>210 602</u>	<u>368 119</u>	<u>55 143</u>	<u>54 505</u>	<u>10 800</u>	<u>900 000</u>	<u>1 599 169</u>
At 31 December 2000	<u>43 465</u>	<u>150 725</u>	<u>75 195</u>	<u>74 325</u>	<u>6 440</u>		<u>350 150</u>

ZIMBABWE OPPORTUNITIES INDUSTRIALISATION CENTRES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

	2001 \$	2000 \$
3 Cash and cash equivalents		
Barclays Current Account	2 372 674	(125 666)
Barclays FCA	4 809 305	716 173
Petty cash	-	(703)
	<u>7 181 979</u>	<u>589 804</u>
4 Capital reserves		
At 1 January 2001	744 989	744 989
Current year movement	<u>854 180</u>	<u>-</u>
At 31 December 2001	<u>1 599 169</u>	<u>744 989</u>
 This amount represents a balance of property and equipment which is credited to the capital reserve		
5 Net effect of working capital changes		
Increase in current assets	(488 312)	(7 500)
Increase /(decrease) in current liabilities	<u>168 663</u>	<u>(13 953)</u>
	<u>(319 649)</u>	<u>(21 453)</u>